



INTERNATIONAL SHOE CO.

MANUFACTURERS

1501-1509 Washington Avenue

St. Louis Mo.

NOVEMBER 30, 1923

1923 4 1723

BOARD
78433
1924

OFFICERS AND DIRECTORS

JACKSON JOHNSON	Chairman of the Board
F. C. RAND	President
H. W. PETERS	Vice President
J. C. ROBERTS	Vice President
W. H. MOULTON	Vice President
HORTON WATKINS	Vice President
J. T. PETTUS	Vice President
C. D. P. HAMILTON	Vice President
THEODORE MORENO	Vice President
R. N. WARMACK	Vice President
F. A. SUDHOLT	Secretary and Treasurer
D. E. WOODS	Auditor
CARLOS REESE, JR.	Director
P. B. JAMISON	Director
H. C. STRIBLING	Director
E. H. PETERS	Director
S. M. TIPTON	Director
GRIFFIN WATKINS	Director
A. W. JOHNSON	Director
H. E. JENKINS	Director
H. R. GREEN	Director

ST. LOUIS, MO., December 29, 1923.

TO OUR STOCKHOLDERS:—

Financial report showing the results of the operation of your Company for the fiscal year ending November 30th, 1923, is enclosed herewith.

During the first part of the year business was active, but in the latter part, especially in the last quarter, there was a definite inclination on the part of merchants to minimize their buying. The effect of this curtailment was reflected in our stock of finished merchandise, causing it to be relatively larger at inventory than at the same time last year.

Throughout the year the Company has adhered to its established policy of buying to meet its current needs. Its inventory reflects actual market values, so that the Company, as in previous years, enters the new year unhampered by assets of doubtful value and is, therefore, prepared to render to its customers and to the public a valuable and economical service.

Net shipments for the year were \$109,922,738.18. This volume represents only the sales made to shoe dealers and does not include the products of the Company's tanneries and various other auxiliary manufacturing plants which are operated solely for the benefit of the Company's shoe factories.

The factories produced for the year 42,515,875 pairs of shoes.

The operations of the auxiliary plants were not only profitable, but enabled the Company to produce better shoes and of more uniform quality.

Net earnings for the year, after providing for government taxes and other contingencies, were \$10,298,641.59.

In 1922 the Company bought part of the Lemp Brewery property, located at Broadway and Cherokee Sts., St. Louis. All the remainder of this property with the exception of one unit, has been purchased by the Company during this year, giving additional floor space of 395,721 square feet. In order to adapt the property to the Company's needs, necessary alterations, repairs, and improvements, amounting to \$561,859.22, have been made. The property has good trackage facilities and is well adapted to the purposes for which it was purchased. The use of some of the buildings should result in economies in the handling and storing of raw materials and finished products, while other buildings lend themselves to the convenient and economical operation of several of the Company's auxiliary manufacturing enterprises.

During 1923 the Company completed and put into operation new factories at Flora, Illinois, and at Higginsville, Sikeston and Jackson, Missouri.

Substantial additions have been made to the factories located at Sullivan, Washington and St. Charles, Missouri.

There is now under construction a new factory at Steeleville, Illinois, with additions about to be made to our factories located at Mount Vernon and Jerseyville, Illinois.

On December 4th, your Board of Directors passed the following resolution:

"BE IT RESOLVED, that the rate of the quarterly dividend on the Common Stock of this Company be, and is hereby, increased from seventy-five cents per share to one dollar per share, and said dividends, when and as declared, shall be paid to stockholders of record of the Common Stock as shown on the transfer books of the Company at the close of business on the fifteenth day of the month preceding the dividend payment date."

Although business slowed down somewhat during the latter part of the year, yet, in this period, the Company made substantial gains in shipments over the same period of last year. The fact that the Company was able to continue making gains in shipments, when business was generally quiet, is evidence of the popularity of the Company's shoes.

We shall continue to watch overhead expenses carefully and to reflect these economies in the finished shoes. We, therefore, approach the new year with confidence that the Company's earnest efforts to supply good merchandise, at attractive prices, will meet with the approval of the retailer and consumer.

From our standpoint, the conditions of the country as a whole are not unfavorable and we anticipate a conservative, healthy flow of business, based on sound values and free from the harmful influence either of speculation or depression.

Yours very truly,

INTERNATIONAL SHOE COMPANY,

Frank C. Rand

President.

Jacken Schuren

Chairman of the Board.

INTERNATIONAL

GENERAL BALANCE SHEET

As at November 30, 1929

ASSETS

CURRENT ASSETS:

Cash in Banks and On Hand.....		\$ 2,194,475.46
Notes Receivable.....	\$ 101,500.00	
Accounts Receivable:		
Customers, less Reserve for Discounts and Doubtful Accounts.....	17,801,629.83	
Salesmen's Traveling Advances and Sundry Accounts.....	138,120.55	17,541,250.38
Inventories:		
Manufactured Merchandise.....	15,229,672.62	
Raw Materials, Supplies, and Mer- chandise in Process.....	15,800,746.02	31,030,418.64
TOTAL CURRENT ASSETS.....		50,766,144.48

Loans and Advances to Employees, secured by Preferred and Common Stock of International Shoe Company.....	163,955.42
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Expenses Paid in Advance—Insurance Premiums, Interest, Taxes, and Other Deferred Charges against Operations....	277,556.01
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Investments in Stocks and Bonds of Other Companies.....	309,791.12
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Physical Properties at Tanneries, Shoe Fac- tories, Supply Departments, and Sales Branches:

Land and Water Rights.....	800,826.56
Buildings and Structures.....	10,101,719.36
Machinery and Equipment.....	8,847,001.92

TOTAL.....	19,749,547.84
Less—Reserve for Depreciation.....	7,873,351.55

Net Depreciated Cost of Physical Properties.....	11,876,196.29
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Goodwill, Trademarks, and Brands.....	12,750,000.00
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TOTAL.....	\$ 76,143,643.32
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SHOE COMPANY

BALANCE SHEET

December 30, 1923

LIABILITIES

CURRENT LIABILITIES:

Notes Payable:

Banks and Brokers.....	\$ 3,985,000.00
Individuals.....	117,500.00

Accounts Payable for Merchandise, Expenses, and Payrolls.....	3,473,610.01
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Officers and Employees Balances, Deposits, Etc.....	617,580.24
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TOTAL.....	8,193,690.25
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Reserve for Income Taxes.....	1,600,000.00
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TOTAL CURRENT LIABILITIES.....	9,793,690.25
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Reserve for Dividends on Preferred Stock.....	89,000.00
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CAPITAL STOCK:

Preferred, 8% Cumulative:

Authorized—250,000 shares of \$100 each, whereof outstanding, 178,000 shares.....	\$ 17,800,000.00
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Common Stock:

Authorized—1,400,000 shares without nominal or par value, whereof issued and outstanding, 920,000 shares.....	48,460,953.07
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TOTAL CAPITAL STOCK.....	66,260,953.07
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TOTAL.....	\$ 76,143,643.32
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Contingent Liabilities—None.

INTERNATIONAL SHOE COMPANY

INCOME ACCOUNT

For the year ended November 30, 1923

Net Sales of Shoes and Other Manufactured Merchandise after deducting Returns and Allowances for Prepayments	\$109,922,738.18
Cost of Shoes and Merchandise Sold, after charging Operating Expenses, Depreciation (\$689,940.64) and Maintenance of Physical Properties; Selling, Administrative, and Warehouse Expenses; and Credit Losses.....	100,498,150.87
OPERATING PROFIT.....	9,424,587.31
Miscellaneous Earnings:	
Discounts on Purchases, Interest and Dividends Received, Rentals Charged to Factories, and Other Receipts.....	2,766,151.40
GROSS EARNINGS.....	12,190,738.71
Interest Charges on Notes Payable.....	486,750.09
NET EARNINGS.....	11,703,988.62
Provision for Income Taxes.....	1,405,347.03
NET INCOME FOR YEAR.....	\$ 10,298,641.59

COMMON STOCK CAPITAL ACCOUNT

Net Income for year ended November 30, 1923.....	\$ 10,298,641.59
Deduct Dividends Declared:	
Preferred Stock—8%.....	\$1,421,753.00
Common Stock—\$2.75 per share.....	2,523,538.50
	6,353,350.09
Common Stock issued and sold to employees for cash, less premium on Preferred Stock purchased and placed in Treasury.....	97,064.02
Equity of Common Stockholders at November 30, 1922 against which 918,006 shares without nominal or par value were outstanding.....	42,010,538.96
Equity of Common Stockholders (920,000 shares) at November 30, 1923.....	\$ 48,460,953.07

MARWICK, MITCHELL & Co.

ACCOUNTANTS AND AUDITORS

CERTIFICATE OF AUDITORS

ST. LOUIS, MO., December 22, 1923.

We have audited the accounts of the International Shoe Company, for the year ended November 30, 1923, and certify that the accompanying Balance Sheet properly presents, in our opinion, the financial position of the Company as at November 30, 1923, and the Income Account, the results of its operations for the year then ended.

The cash in banks and on hand has been verified by certificates received from the several depositories, while the notes and accounts receivable are stated after deducting all known uncollectible accounts, and after making suitable provision for discounts and doubtful debts. The inventories of manufactured merchandise, raw materials, supplies, etc., as prepared under the supervision of responsible officials of the Company, have been valued at net cash cost or market prices whichever were the lower at November 30, 1923.

The securities held as collateral against loans and advances, and the securities in respect of investments in other companies were produced for our inspection.

The expenditures on additions to the physical properties during the year under review have been substantiated from properly authorized vouchers and other documents. Adequate charges against operations have been made in respect of depreciation and maintenance of the physical properties.

All liabilities of the Company at November 30, 1923, of which we have cognizance, are recorded in the Balance Sheet, including a full provision with respect to Income Taxes to that date.

MARWICK, MITCHELL & CO.

SALES BRANCHES

ST. LOUIS

Roberts, Johnson & Rand
Peters
Friedman-Shelby
Shoe Specialty Manfg. Co.
Continental Shoemakers

BOSTON

Hutchinson-Winch
Great Northern Shoe Co.
Interstate Shoe Co.

NEW YORK

Morse & Rogers

SHOE FACTORIES AND SUPPLY DEPARTMENTS

MISSOURI

St. Louis
Hickory St. & Mississippi Ave.
Broadway & Cherokee Streets
St. Louis & Jefferson Avenues
Thirteenth & Mullanphy Streets
Twelfth & North Market Streets
Jefferson Ave. & Madison St.
Glasgow Ave. & North Market St.
3417 Locust Street
2536 W. University Street
1700 Morgan Street
Bland
Cape Girardeau
Chamois
De Soto
Hannibal
Hermann
Higginsville
Jackson
Jefferson City
Bolivar & McCarty Streets
Main & Linn Streets
Kirksville
Macon
Marshall
Mexico
New Haven
Pacific
St. Charles
St. Clair
Sikeston
Sullivan
Sweet Springs
Vandalia
Washington

ILLINOIS

Alton
Belleville
Chester
Flora
Jerseyville
Lincoln
Mt. Vernon
Olney
Pittsfield
Springfield
Steeleville

NEW HAMPSHIRE

Claremont
Keene
Manchester
Central Plant
Cohas Factory
Eastside Factory
Derryfield Factory
Nashua
Newport
Suncook

KENTUCKY

Paducah

TANNERIES

ILLINOIS

South Wood River

NEW HAMPSHIRE

Manchester
Merrimack

NORTH CAROLINA

Morganton

PENNSYLVANIA

Mt. Jewett
St. Marys

